

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO THE COMMITTEE PRINT OF H.R. 1954
OFFERED BY MR. BRYANT**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

2 (a) SHORT TITLE.— This Act may be cited as the
3 ‘Rental Fairness Act of 1999’.

4 (b) TABLE OF CONTENTS.—The table of contents for
5 this Act is as follows:

Sec. 1. Short title and table of contents.
Sec. 2. Findings and purposes.
Sec. 3. Definitions.
Sec. 4. General fairness and responsibility rule.
Sec. 5. Preservation of State law.
Sec. 6. Preservation of liability based on negligence.
Sec. 7. Applicability and effective date.

6 SEC. 2. FINDINGS AND PURPOSES.

7 The Congress finds that—

8 (1) The vast majority of State statutes and
9 common law follow the generally accepted principle
10 of law that a party should be held liable only for
11 harm that the party could guard against.

12 (2) A small number of State common laws and
13 statutes still do not recognize this accepted principle
14 of law, and continue to subject companies that rent
15 or lease motor vehicles to vicarious liability for the
16 negligence of their rental customers in operating the

1 motor vehicle simply because of the company's own-
2 ership, even where the rental company has not been
3 negligent in any way and the motor vehicle operated
4 properly.

5 (3) An even smaller minority of State laws im-
6 pose unlimited liability on the companies for the
7 tortious acts of their customers, without regard to
8 fault.

9 (4) These small number of vicarious liability
10 laws pose a significant competitive barrier to entry
11 for smaller companies attempting to compete in
12 these markets, in contravention of the fundamental
13 legal principle of fairness prohibiting liability with-
14 out fault.

15 (5) Furthermore, because rented or leased
16 motor vehicles are frequently driven across State
17 lines, these small number of vicarious liability laws
18 impose a disproportionate and undue burden on
19 interstate commerce by increasing rental rates for all
20 customers across the nation.

21 (6) Due to high liability costs and unwarranted
22 litigation costs, consumers face higher vehicle rental
23 costs in all States because of the increased insurance
24 expenses required to provide coverage in the inter-
25 state insurance and rental markets.

1 (7) Rental fairness will lessen burdens on inter-
2 state commerce and decrease litigiousness.

3 (8) Legislation to address these concerns is an
4 appropriate exercise of the powers of Congress under
5 clauses 3, 9, and 18 of section 8 of article I of the
6 Constitution of the United States, and the 14th
7 amendment to the Constitution of the United States.

8 **SEC. 3. DEFINITIONS.**

9 For the purpose of this Act—

10 (1) HARM.—The term “harm” means—

11 (A) any injury to or damage suffered by a
12 person;

13 (B) any illness, disease, or death of that
14 person resulting from that injury or damage;
15 and

16 (C) any loss to that person or any other
17 person resulting from that injury or damage.

18 (2) MOTOR VEHICLE.—The term “motor vehi-
19 cle” shall have the meaning given to this term under
20 section 13102(14) of title 49, United States Code.

21 (3) OWNER.—The term “owner” means a per-
22 son who is -

23 (A) a record or beneficial owner or lessee
24 of a motor vehicle;

1 (B) entitled to the use and possession of a
2 motor vehicle subject to a security interest in
3 another person; or

4 (C) a lessee or bailee of a motor vehicle, in
5 the trade or business of renting or leasing
6 motor vehicles, having the use or possession
7 thereof, under a lease, bailment, or otherwise.

8 (4) PERSON.— The term “person” means any
9 individual, corporation, company, limited liability
10 company, trust, association, firm, partnership, soci-
11 ety, joint stock company, or any other entity (includ-
12 ing any governmental entity).

13 (5) STATE.—The term “State” means each of
14 the several States, the District of Columbia, the
15 Commonwealth of Puerto Rico, the Virgin Islands,
16 Guam, American Samoa, the Northern Mariana Is-
17 lands, any other territory or possession of the
18 United States, or any political subdivision of any
19 such State, commonwealth, territory, or possession.

20 **SEC. 4. GENERAL FAIRNESS AND RESPONSIBILITY RULE.**

21 (a) IN GENERAL.—No owner engaged in the trade
22 or business of renting or leasing motor vehicles may be
23 held liable for harm caused by a person to himself or her-
24 self, to another person, or to property, which results or
25 arises from that person’s use, operation, or possession of

1 a rented or leased motor vehicle, by reason of being the
2 owner of such motor vehicle.

3 (b) CONSTRUCTION.—Subsection (a) shall not apply
4 if such owner does not maintain the required limits of fi-
5 nancial responsibility for such vehicle, as required by State
6 law.

7 **SEC. 5. PRESERVATION OF STATE LAW.**

8 (a) STATE FINANCIAL RESPONSIBILITY REQUIRE-
9 MENTS.—Nothing in this Act shall relieve any owner en-
10 gaged in the trade or business of renting or leasing motor
11 vehicles from the obligation to comply with a State's min-
12 imum financial responsibility, motor vehicle, or insurance
13 statutes or regulations imposed by that State for the privi-
14 lege of registering and operating a motor vehicle within
15 that State.

16 (b) PRIORITY OF PAYMENTS.—Nothing in this Act
17 shall preempt any State law regarding priority of payment
18 requirements or whether coverages provided under such
19 statutes or regulations are primary or secondary.

20 **SEC. 6. PRESERVATION OF LIABILITY BASED ON NEG-**
21 **LIGENCE.**

22 Nothing in this Act shall preempt the ability of the
23 States to impose liability based on acts of negligence or
24 criminal wrongdoing.

1 SEC. 7. APPLICABILITY AND EFFECTIVE DATE.

2 Notwithstanding any other provision of law, this Act
3 shall apply with respect to any action commenced on or
4 after the date of enactment of this Act without regard to
5 whether the harm that is the subject of the action or the
6 conduct that caused the harm occurred before such date
7 of enactment.